

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

August 28, 2002

IN RE:

APPLICATION FOR APPROVAL OF THE TRANSFER OF
CONTROL OF NEW CENTURY TELECOM, INC. AND
REQUEST FOR WAIVER OF CUSTOMER
NOTIFICATION REQUIREMENTS

)
)
)
)
)
)
)

DOCKET NO.
02-00720

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Sara Kyle, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on July 23, 2002 for consideration of the application for approval of the transfer of control (the "Application") filed by New Century Telecom, Inc. ("New Century"). The Application was considered pursuant to the provisions of Tenn. Code Ann. § 65-4-113, which requires Authority approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

- (a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority,

to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

The Application was filed on June 21, 2002. In the Application, New Century requests approval of a transfer of control of the company to Karyn Bartell, stating that on or about August 1, 2002 one hundred percent (100%) of the outstanding stock of New Century will be transferred to Ms. Bartell. The Application states that New Century will continue to operate under the New Century name and provide the same telecommunications services pursuant to the tariffs it currently has on file, except as these tariffs may be revised as appropriate.

New Century is a Virginia corporation that was granted authority to provide resold long distance telecommunications services in Tennessee by Order dated December 8, 1997 in Docket No. 97-07577. As stated in the Application, on February 14, 2002, New Century filed an request for approval of an anticipated transfer of control to Alba Cipriani. The Authority approved this application by Order dated April 17, 2002 in Docket No. 02-00170. The Application states that Ms. Cipriani was not able to consummate this transaction, but New Century was able to locate another purchaser, Ms. Bartell.

In its Application, New Century requests that the Authority forbear from imposing any customer authorization, verification, or notification requirements. *See* Authority Rule 1220-4-2-.56. New Century states that because customers who are pre-subscribed to New Century will not

have their preferred interexchange carrier change upon the transfer of ownership, authorization and verification should not be required under the Authority's Rules. The Application further states that since all billing and customer service will continue to be performed under the New Century name, customers will not be aware of any difference in service, making customer notification unnecessary.

Public Interest Considerations

According to the Application, there will be no change in the rates or terms and conditions of service provided by New Century. New Century will continue to be led by the same team of experienced telecommunications officers and personnel.


Findings

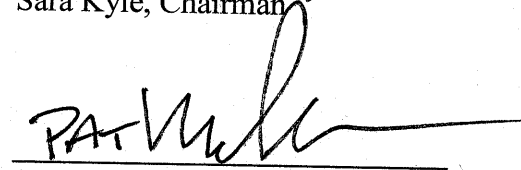
The Authority considered this matter at the July 23, 2002 Authority Conference. Based upon careful consideration of the Application, the Authority finds and concludes as follows:

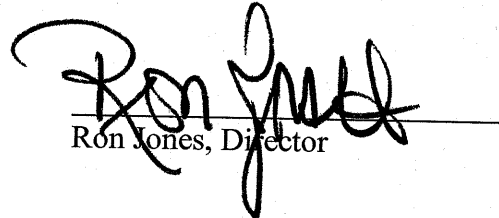
1. The Authority has jurisdiction over the subject matter of this Application pursuant to Tenn. Code Ann. § 65-4-113;
2. New Century Telecom, Inc. has been granted authority to provide telecommunication services in Tennessee;
3. Ownership of one hundred percent (100%) of the outstanding stock of New Century Telecom, Inc. will be transferred to Karyn Bartell, resulting in a transfer of the authority granted New Century Telecom, Inc. to provide utility services;
4. Approval of the transfer of authority is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113; and
5. Because New Century Telecom, Inc. will continue as the long distance carrier for its subscribed customers, Authority Rule 1220-4-2-.56 is not applicable in this case.

IT IS THEREFORE ORDERED THAT:

1. The Application of New Century Telecom, Inc. for approval of the transfer of authority described herein is approved; and
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Sara Kyle, Chairman


Pat Miller, Director


Ron Jones, Director